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IN THE

Supreme Court of the United States

OCTOBER TERM, 1972.

No. 72-626

UNIVERSITY OF ILLINOIS FOUNDATION,
Petitioner,

vs.

BLONDER-TONGUE LABORATORIES, INC.,
Respondent.

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT AND APPENDIX.

CHARLES J. MERRIAM,
WILLIAM A. MARSHALL,
MICHAEL P. BUCKLO,
Two First National Plaza,
Chicago, Illinois 60670,
Attorneys for Petitioner.

Of Counsel:
MERRIAM, MARSHALL, SHAPIRO,
& KLOSE,
Suite 2100,
Two First National Plaza,
Chicago, Illinois 60670.

October ....., 1972.

THE SUNTHORP-WARREN PRINTING COMPANY, CHICAGO

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No. .....

UNIVERSITY OF ILLINOIS FOUNDATION,
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BLONDER-TONGUE LABORATORIES, INC.,
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PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT AND APPENDIX.

Petitioner prays that a writ of certiorari issue to review the decision of the United States Court of Appeals for the Seventh Circuit, entered July 25, 1972.

OPINIONS BELOW.

The opinion of the Seventh Circuit with respect to which review is sought is reported at .....F. 2d ....., 175 U. S. P. Q. 1 (7th Cir. 1972). It is also printed in the Appendix hereto at A1.

The district court's decision from which the appeal was taken is reported at 334 F. Supp. 47 (N. D. Ill. 1971). It is also printed in the Appendix hereto at A3.

JURISDICTION.

Jurisdiction is based on 28 U. S. C. § 1254(1). The decision of the Court of Appeals, affirming the judgment of the district court, from which review is sought, was entered July 25, 1972.

QUESTIONS PRESENTED.

1. Did this Court, in previously remanding this case to the district court to allow Blonder-Tongue to amend its pleadings to assert a plea of estoppel (402 U. S. 313), intend to give discretion to the lower courts to decide the merits of the estoppel plea on all of the circumstances involved in the case, including the standard of patentability applied by the Eighth Circuit in its prior finding of patent invalidity?

2. If so, did the district court and the court of appeals exercise such discretion in holding they were barred from following their prior decisions that the patent in question was valid and from examining whether the Eighth Circuit, in holding the same patent invalid, had properly applied the standard of patentability laid down by this Court in *Graham* v. *John Deere Co.*, 383 U. S. 1 (1966)?

3. Has this Court's requirement of "justice and equity" been met considering all the circumstances, and specifically the fact that the University of Illinois Foundation, a charitable organization, was permitted by Blonder-Tongue to spend thousands of dollars in litigating this matter without any claim of collateral estoppel by Blonder-Tongue until its rebuttal argument in this Court?

STATEMENT OF THE CASE.

Petitioner, University of Illinois Foundation (Foundation), filed suit in the Northern District of Illinois against respondent, Blonder-Tongue Laboratories, Inc. (Blonder-

Tongue), on March 29, 1966, charging infringement of U. S. Patent No. 3,219,767 (the Isbell patent).* On June 27, 1968, the district court entered judgment holding the patent valid and infringed.** On February 13, 1970, the Court of Appeals for the Seventh Circuit affirmed. (422 F. 2d 769.)

Blonder-Tongue sought certiorari and its petition was granted on October 19, 1970. (400 U. S. 864.) Apart from the questions presented by Blonder-Tongue, this Court requested *sua sponte* that the parties brief the question whether the holding in *Triplett* v. *Lowell,* 297 U. S. 638 (1936), should be adhered to.

On May 3, 1971, this Court rendered its decision in *Blonder-Tongue Labs., Inc.* v. *University of Ill. Foundation,* 402 U. S. 313 (1917) (hereinafter *Blonder-Tongue*). The Court modified the holding in *Triplett* and remanded the case to the district court to permit Blonder-Tongue to assert (and the Foundation to contest) "a plea of estoppel". This Court expressed "no views on the other issues presented". (402 U. S. 350.)

Blonder-Tongue subsequently amended its answer to assert the affirmative defense of collateral estoppel. The defense was founded on the prior decision of the district court for the Southern District of Iowa, decided June 23, 1967 (271 F. Supp. 412), affirmed by the Court of Appeals for the Eighth Circuit on September 30, 1968 (402 F. 2d 125), in *University of Illinois Foundation* v. *Winegard Co.* (hereinafter *Winegard*), which had held certain claims of the Isbell patent invalid.

Both parties moved for judgment without taking additional testimony or presenting additional evidence. On September 27, 1971, Judge Hoffman entered judgment holding the Foundation estopped from enforcing the Isbell

* Another patent and other issues were also involved eventually, but they do not relate to this petition.

** This decision is not reported. It is printed in the Appendix hereto at A11.

patent. (334 F. Supp. 47; A3.) The Court of Appeals for the Seventh Circuit affirmed the district court's decision on July 25, 1972. (175 U. S. P. Q 1; A1.) This petition followed in due course.

REASONS FOR GRANTING THE WRIT.

Question No. 1.

This Court did not intend by its decision in *Blonder-Tongue* that a defense plea of estoppel based upon a prior final adjudication of patent invalidity constituted a *conclusive* estoppel tantamount to a plea in bar. The effect of its decision was simply to modify the 35 year old precedent established by *Triplett* v. *Lowell,* 297 U. S. 638 (1936), and allow a plea of estoppel to be asserted in an infringement action against a patentee whose patent had previously been held invalid. This Court made clear the procedure that was to be followed after such a plea is asserted, viz.:

> "[W]e do not suggest . . . that a plea of estoppel by an infringement . . . suit defendant must *automatically be accepted* once the defendant in support of his plea identifies the issue in suit as the identical question finally decided against the patentee or one of his privies in previous litigation. Rather, the patentee-plaintiff must be permitted to demonstrate, if he can, that he did not have 'a fair opportunity procedurally, *substantively* and evidentially to pursue his claim the first time.'
>
> • • • • •
>
> "Determining whether a patentee has had a full and fair chance to litigate the validity of his patent in an earlier case is of necessity not a simple matter. In addition to the considerations of choice of forum and incentive to litigate mentioned above, certain other factors immediately emerge. For example, if the issue

> is nonobviousness, *appropriate inquiries* would be whether the first validity determination purported to employ the standards announced in Graham v. John Deere . . ." (402 U. S. at 332-33). (Emphasis added.)

Such a determination is to be made "on a pretrial motion for judgment on the pleadings or summary judgment" (402 U. S. at 348) in order to achieve the objective of this Court of avoiding unnecessary litigation.

Independent inquiry and the exercise of judicial discretion by the second forum to determine the existence of procedural, substantive, or evidential defects in the prior decision of invalidity was the intention of this Court. Courts of other jurisdictions are in agreement regarding the right of the second court, in its discretion, to consider all the facts including a consideration of the "reasoning" of the court that made the prior adjudication of invalidity. For example, Judge Doyle of the Tenth Circuit has interpreted *Blonder-Tongue* as allowing the patentee to "collaterally" attack the prior proceedings. *Black, Sivals & Bryson, Inc.* v. *National Tank Co.*, 445 F. 2d 922, 926 (Fn. 2) (10th Cir. 1971). Likewise, the court in *Blumcraft of Pittsburg* v. *Architectural Art Mfg., Inc.*, 337 F. Supp. 853, 858 (D. Kan. 1972), examined the prior court's "familiarity with *and application of* the standards announced in Graham v. John Deere . . . to the evidence in the case." (Emphasis added.) Such a use of discretion is necessary to allay this Court's "important concerns about the complexity of patent litigation and the posited hazard that the prior proceedings were seriously defective" (402 U. S. at 333).

Accordingly, the answer to Question 1 should be in the affirmative.

Question No. 2.

Both the district court and the Seventh Circuit Court of Appeals refused to exercise judicial discretion in considering the effect of the *Winegard* decision. In affirming the decision of Judge Hoffman that the Foundation is estopped from asserting the validity of the Isbell patent, the Seventh Circuit held: "Review by the court which considers the plea of collateral estoppel *of the reasoning* of the court which made the prior adjudication would be inconsistent with the doctrine of collateral estoppel". (A2.) This ruling by the Seventh Circuit is not only in direct conflict with the reasoning of this Court's decision in *Blonder-Tongue* remanding the case to the district court, but is contrary to the clear language of that decision which, as pointed out above, establishes the procedure which a court must follow in considering a plea of estoppel.

If this Court's holding that the patentee must be permitted to demonstrate that the first validity determination did not purport to employ the *Graham* standards of obviousness is to have any meaning at all, it follows ipso facto that the reviewing court must consider the "reasoning" of the court that made the prior adjudication of invalidity.

The reluctance to review the "reasoning" presented no impediment to the district court or the Seventh Circuit Court of Appeals in their original decisions which found the patent here in suit valid, despite earlier decisions to the contrary by the respective brother courts of concurrent jurisdiction in the Eighth Circuit.*

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*That the *Winegard* decision was based on an improper standard of invention is evidenced by the Eighth Circuit's decision in *Woodstream Corp.* v. *Herter's, Inc.*, 446 F. 2d 1143 (8th Cir. 1971), wherein, subsequent to and in partial reliance on the impact of

On the remand before the district court, the Foundation did not urge a relitigation of the facts of this case but, rather, argued, *inter alia*, that it did not have "a fair opportunity—substantively—to pursue [its] claim the first time" because the Eighth Circuit in *Winegard* failed to apply the correct standard of invention to the evidence. However, both the district court and the Seventh Circuit Court of Appeals refused to review the application of the *Graham* standards by the Eighth Circuit. The district court skirted this issue by considering that the substantive fair opportunity requirement was met solely by finding that the district court in *Winegard* understood the technical subject matter. The Court of Appeals erroneously ignored the issue on the grounds that such a review "would be inconsistent with the doctrine of collateral estoppel" enunciated by this Court in *Blonder-Tongue*.* (A2.)

If the Seventh Circuit's theory of unilateral estoppel is not corrected, the current practice for sustaining good patents and rectifying erroneous holdings by the grant of certiorari arising from a conflict in appellate court decisions will be abolished. This will effectively provide in rem invalidity, a result specifically eschewed by this Court (402 U. S. at 332-33).

It is submitted that the Seventh Circuit misconstrued this Court's holding in *Blonder-Tongue* and that this case pre-

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this Court's reasoning in *Blonder-Tongue*, the Eighth Circuit appears to have abandoned the erroneous criteria of patentability enunciated in *Winegard*. In short, the "reasoning" which the Seventh Circuit was reluctant to examine has not even been followed by the Eighth Circuit itself.

* The district court in *Blumcraft of Pittsburgh* v. *Kawneer Co.*, 341 F. Supp. 1018 (N. D. Ga. 1971), has also adopted a similar erroneous position concerning the scope of review. In that case the court stated: "This mandate of the Supreme Court does not extend so far as to give this court authority to sit as an appellate court to determine if the Court of Appeals for the Fourth Circuit committed reversible error because it allegedly ignored certain findings of fact made by the lower court". (341 F. Supp. at 1020).

sents an ideal vehicle by which the Court may clarify the proper scope of review by a federal district court in applying the defense of collateral estoppel consistent with the principles set forth in *Blonder-Tongue*.

Question No. 3.

After outlining the requirements that must be met in determining whether the plaintiff-patentee had a fair opportunity to litigate its patent, this Court mitigated the strict burden by concluding that "In the end, decision will necessarily rest on the trial court's sense of justice and equity" (402 U. S. at 334).

Where has this standard been applied in this case? Nowhere is it shown that Foundation was accorded this consideration. Foundation, a charitable organization, relying upon the then well established and long standing *Triplett*• doctrine, spent thousands of dollars in relitigating the issue of validity of the Isbell patent without any plea of estoppel being raised by defendant until during oral rebuttal argument before this Court, and then only at the urging of this Court (402 U. S. at 319-20). Blonder-Tongue stated that it was at that point suggesting a "modification" of *Triplett*.

This Court's ultimate decision in *Blonder-Tongue* left unanswered the question of validity raised by the conflicting decisions on validity by two different appellate courts appearing in the petition as originally filed. Because of the retroactive application of this Court's estoppel decision without a final decision on the ultimate issues relating to patent validity, Foundation was forced to begin its upstream swim anew. Even profit making baseball teams are not placed in this expensive and inequitable

• *Triplett* v. *Lowell*, 297 U. S. 638 (1936).

dilemma by this Court. *Cf., Flood* v. *Kuhn*, 32 L. Ed. 2d 728, 744 (1972).

Somewhere along the line in this case the clarion call of justice and equity as a guiding voice, if heard, was ignored by the Seventh Circuit in its decision on remand. This error should be corrected by this Court by remanding with appropriate instructions.

CONCLUSION.

The Seventh Circuit has read into this Court's decision in *Blonder-Tongue* a mandate that does not exist. In view of the far reaching effect of that decision, there is a duty to avoid misinterpretation by clarification and explanation of the decision. This can only be achieved by the granting of this petition.

Respectfully submitted,

CHARLES J. MERRIAM,
WILLIAM A. MARSHALL,
MICHAEL P. BUCKLO,
Attorney for Petitioner, University of Illinois Foundation.

Of Counsel:
MERRIAM, MARSHALL, SHAPIRO, & KLOSE,
Suite 2100,
Two First National Plaza,
Chicago, Illinois 60670.

APPENDIX.

IN THE UNITED STATES COURT OF APPEALS
For the Seventh Circuit

September Term, 1971 — April Session, 1972

No. 71-1879

UNIVERSITY OF ILLINOIS FOUNDATION,
Plaintiff-Appellant,

vs.

BLONDER-TONGUE LABORATORIES, INC.,
Defendant-Appellee.

Appeal from the United States District Court for the Northern District of Illinois, Eastern Division.

66 C 567

Julius J. Hoffman, *Judge.*

Argued May 16, 1972—Decided July 25, 1972

Before DUFFY and CASTLE, *Senior Circuit Judges,* and FAIRCHILD, *Circuit Judge.*

PER CURIAM. This is an appeal from a judgment, on remand from the Supreme Court, that plaintiff patent owner is estopped, by a prior adjudication of invalidity, from asserting the validity of its patent in this action. The decision of the district court is reported,[1] and sets forth the history of this litigation and the reasons, con-

1. *University of Ill. Found.* v. *Blonder-Tongue Lab., Inc.*, 334 F. Supp. 47 (N. D. Ill., 1971).

sistent with the decision of the Supreme Court,[2] for sustaining the defense of collateral estoppel.

We adopt the opinion of the district court, adding the following comments:

On oral argument on appeal, plaintiff stressed its claim that although the courts which decided *Winegard* purported to employ *Graham* standards in deciding the subject matter was obvious, they did so defectively. The defect was said to be reliance upon the proposition that the results achieved by Isbell, though unpredictable, were achieved by logical exploration within known principles. Review by the court which considers the plea of collateral estoppel of the reasoning of the court which made the prior adjudication would be inconsistent with the doctrine of collateral estoppel. There can be no question but that the *Winegard* courts did "grasp the technical subject matter and issues in suit." Even if those courts erred in the reasoning challenged by plaintiff, we are confident that such error would not be a defect of the magnitude contemplated by the Supreme Court as a reason why the court in the second action should deny the effect of estoppel to the earlier judgment.

Recent decisions of other courts are consistent with the decision of the district court in this case.[3]

The judgment appealed from is affirmed.

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2. *Blonder-Tongue* v. *University of Illinois Foundation*, 402 U. S. 313 (1971).

3. *Bourns, Inc. et al.* v. *Allen Bradley Co., et al.*, No. 70 C 1992. N. D. Ill. (Feb. 7, 1972); *Blumcraft of Pittsburgh* v. *Architectural Art Mfg., Inc.*, 337 F. Supp. 853 (D. Kansas, 1972).

UNITED STATES DISTRICT COURT,
N. D. Illinois, E. D.

Sept. 27, 1971.

No. 66 C 567.

The UNIVERSITY OF ILLINOIS FOUNDATION,
Plaintiff and Counterclaim Defendant,

vs.

BLONDER-TONGUE LABORATORIES, INC.,
Defendant and Counterclaimant,

vs.

JFD ELECTRONICS CORPORATION,
Counterclaim Defendant.

MEMORANDUM OF DECISION

JULIUS J. HOFFMAN, *District Judge.*

The action is presently before the Court pursuant to the mandate of the United States Supreme Court, vacating the judgment of the Court of Appeals which had affirmed the judgment here. It is the opinion of this Court that this mandate requires the entry of final judgment for defendant on the plaintiff's claim.

Upon the original trial of this case, this Court concluded that Patent 3,210,767, issued to Isbell and held upon assignment by the plaintiff, The University of Illinois Foundation, was valid and infringed by the defendant, Blonder-Tongue Laboratories, Inc. In sustaining the patent's validity, this Court disagreed with the conclusion reached by the United States District Court for the Southern District of Iowa, in a suit filed later but tried earlier than this action, involving the same plaintiff but a different defendant. University of Illinois Foundation v. Winegard, 271 F. Supp. 412 (S. D. Iowa 1967).

Under then settled law, this Court was bound to make its own independent determination of the issues, on the evidence and argument presented, and the prior adjudication involving a different defendant had no preclusive effect. The controlling precedent, Triplett v. Lowell, 297 U. S. 638, 56 S. Ct. 645, 80 L. Ed. 949 (1936), laid down the requirement of mutuality of estoppel: since the plaintiff could have gained no advantage over this defendant by a victory over the previous defendant, it was thought that fairness required that he should suffer no prejudice from a loss against the previous defendant. This requirement of mutuality was conceded by all parties here, and was uncontested in this Court.

The requirement of mutuality remained unquestioned and unassailed in defendant's appeal to the Court of Appeals for the Seventh Circuit, although in the interim the judgment of the Iowa District Court holding the patent invalid, had been affirmed upon appeal by the Eighth Circuit. University of Illinois Foundation v. Winegard, 402 F. 2d 125 (8th Cir. 1968). Free to exercise its own judgment under the mutuality requirement, the Seventh Circuit affirmed this Court's holding that the patent was valid. University of Illinois Foundation v. Blonder-Tongue Laboratories, 422 F. 2d 769 (7th Cir. 1970).

With this conflict among the Circuits, the Supreme Court granted certiorari to review the decision of the Seventh Circuit, but denied the plaintiff's petition for review of the Eighth Circuit's decision. 394 U. S. 917, 89 S. Ct. 1191, 22 L. Ed. 2d 452 (1969). In addition to the issues raised by the granted petition, the Supreme Court requested the parties to address themselves to the question whether the doctrine of mutuality of estoppel, as announced in Triplett v. Lowell, *supra,* should be adhered to. The United States, as *amicus curiae,* joined the defendant in urging modification or qualification of the mutuality requirement, and the Court ultimately handed down its opinion rejecting the mutuality requirement of *Triplett* as a condition to any estoppel from prior patent litigation. 402 U. S. 313, 91 S. Ct. 1434, 28 L. Ed. 2d 788 (1971). The Court accordingly reversed and remanded the case to allow defendant to interpose a plea of estoppel based on the Eighth Circuit's decision in *Winegard.* Upon remand, defendant has accepted the invitation by moving to amend its answer to set up this newly authorized defense. Allowance of the amendment is dictated by the Supreme Court mandate, and plaintiff has not indicated any opposition. The motion is accordingly granted.

Conceding this ruling, plaintiff has filed its motion in the nature of a motion for judgment on the pleadings, seeking the re-affirmation of the original judgment on the ground that the plea of estoppel is insufficient in the circumstances of this case. Defendant has countered with its own motion for the entry of judgment in its favor, asserting that the *Winegard* litigation is a complete defense to this suit. Both parties have disavowed interest in offering evidence on the issue, and no factual issues are presented by the opposing motions. Thus the matter may be appropriately treated as a motion for summary judgment on the defense.

The Supreme Court's ruling breaks new ground. The defense of estoppel, made available by abolition of the

mutuality requirement, means that a prior holding that plaintiff's patent is invalid rises above the level of a mere precedent, entitled only to deference within the conventions of *stare decisis*. On the other hand, the new defense falls short of the vigorous doctrine of *res judicata* which would raise an absolute bar if the plaintiff were suing the same defendant a second time on the same cause of action. When a new defendant is sued, the plaintiff will be entitled to relitigate the validity of his patent if he can demonstrate that the prior action did not afford him "a full and fair chance" to litigate the issue. 402 U. S. 333, 91 S. Ct. 1434. Among the components of this standard are the convenience of the previous forum, plaintiff's incentive to litigate in the prior action, the identity of the issues raised and decided, and the plaintiff's opportunity to present all crucial evidence and witnesses. 402 U. S. 333, 91 S. Ct. 1434. Plaintiff in this Court has made no showing of any shortcomings in the *Winegard* proceedings in any of these respects. Procedurally, at least, plaintiff had a fair opportunity to pursue his claim the first time.

In patent litigation, however, the defense of estoppel is not established by procedural fairness alone. There is a substantive element as well. Under the Supreme Court's formulation, when validity depends upon nonobviousness of the development, as in the case at bar, the second court is called upon to inquire whether the first court "purported to employ the standards announced in *Graham* v. *John Deere Co., supra* [383 U. S. 1, 86 S. Ct. 684, 15 L. Ed. 2d 545 (1966), and] whether the opinions filed by the District Court and the reviewing court, if any, indicate that the prior case was one of those relatively rare instances where the courts wholly failed to grasp the technical subject matter and issues in suit. * * *" 402 U. S. 333, 91 S. Ct. 1445.

Plaintiff asserts that the courts of the Eighth Circuit "wholly failed to grasp the technical subject matter" since they disagreed with the courts of this Circuit. It would demand arrogance so to conclude. In opening the defense of estoppel from third-party litigation, the Supreme Court sought to eliminate the expense, waste, and confusion caused by repetitive litigation of the validity of the same patent. This goal cannot be achieved if mere disagreement in the second court supervenes the defense. It follows that the second court must defer unless it appears from the face of the prior opinions that the first court completely missed the point. No such conclusion is warranted here. While the technical subject matter involved in the litigation is complex, the Eighth Circuit opinion reveals a conscientious effort to apply the standards laid down in Graham v. John Deere Co., *supra*, and a careful evaluation of the issues. That court concluded that the patent was obvious and invalid as a mere combination of known elements. This Court had reached a different conclusion on the same issue, and this Court's opinion was before the Eighth Circuit. A mere difference in the conclusions reached in the application of a general standard such as obviousness under Section 103 of Title 35, United States Code, does not demonstrate that either court "wholly failed to grasp the technical subject matter." As anticipated by the Supreme Court, instances warranting such a conclusion will be rare. 402 U. S. 333, 91 S. Ct. 1434.

Under the factors mentioned by the Supreme Court, plaintiff has failed to make the requisite showing to escape the defense of estoppel and to entitle it to the benefit of relitigation. Beyond those factors, however, plaintiff urges that allowance of the defense would be unjust and inequitable because it has already incurred the costs and burdens of the second litigation, because this action was filed—

but not decided—before the *Winegard* suit, because the Supreme Court denied certiorari to review the Eighth Circuit's decision, and because defendant did not plead the defense of estoppel, or urge its availability, in the courts of this Circuit. All these circumstances were before the Supreme Court, and with this record before it that Court directed that defendant be given an opportunity in this Court to raise the defense. This Court cannot evade the mandate by holding that such factors defeat the plea.

Finally, plaintiff asserts that the *Winegard* decision is not dispositive because plaintiff did not allege in that case the infringement of claims numbered 6, 7, and 8 of the Isbell patent. The defendant in that case, however, put the whole patent in issue by praying for a decree adjudging the patent to be null and void, and the District Court and Court of Appeals for the Eighth Circuit so adjudged.

It follows that final judgment must be entered for defendant upon plaintiff's claim based upon the Isbell patent. The Court of Appeals reversed this Court's holding that the Mayes' patent was valid, and affirmed this Court's ruling for plaintiff and the additional counterclaim defendant on defendant's counterclaim. The Supreme Court left those decisions undisturbed. Defendant has sought leave to correct its counterclaim by a change of address, but does not seek reconsideration of its disposition. Accordingly, judgment is entered herewith in favor of defendant on the claims presented in the complaint, and in favor of plaintiff and the additional counterclaim defendant on the claims presented in the counterclaim.

JUDGMENT ORDER ON REMAND

This cause having come on to be heard on plaintiff's Amended Complaint, on defendant's Second Amended Answer and Counterclaim, and on plaintiff's and counterclaim defendant's Reply to Amended Counterclaim, and the Court having heard the testimony of the witnesses for the respective parties in open court and having examined the depositions made of record, the exhibits received in evidence, and the briefs of the respective parties, and the Court having considered the opinions and orders of the United States Court of Appeals for the Seventh Circuit and of the United States Supreme Court rendered upon appeal and review of this Court's judgment heretofore entered on June 27, 1968, and the Court having this day filed its Memorandum of Decision,

It is hereby ordered, adjudged and decreed as follows:

1. The Judgment Order heretofore entered on June 27, 1968, is vacated.

2. The Court has jurisdiction of the parties and of the subject matter of this action.

3. The plaintiff, The University of Illinois Foundation, is estopped in this action to assert the validity of United States Letters Patent No. 3,210,767.

4. United States Letters Patent, Reissue, No. 25,740 is invalid and void in law.

5. Judgment on the Amended Complaint is entered for defendant, with prejudice.

6. The defendant is the owner of United States Letters Patent No. 3,259,904 and all rights thereunder.

7. Claim 5 of United States Letters Patent No. 3,259,904 is invalid and void in law.

8. The plaintiff and the counterclaim defendant, JFD Electronics Corporation, did not commit acts of unfair competition or acts in violation of the antitrust laws as charged in the Counterclaim.

9. Judgment on the counterclaim filed by the defendant is entered for the plaintiff and the counterclaim defendant with prejudice.

10. The plaintiff shall not recover its expenses, costs or attorneys fees.

11. The defendant shall not recover its expenses, costs or attorneys fees.

12. The counterclaim defendant shall not recover its expenses, costs or attorneys fees.

IN THE UNITED STATES DISTRICT COURT.

• • (Caption—66-C-567) • •

MEMORANDUM OF DECISION

JULIUS J. HOFFMAN, *District Judge.*

The plaintiff and counterclaim defendant, The University of Illinois Foundation (hereinafter "the Foundation"), brings this suit, charging the infringement of two patents, against the defendant and counterclaimant, Blonder-Tongue Laboratories, Inc. (hereinafter "Blonder-Tongue"). The plaintiff is a not-for-profit corporation established under the laws of the State of Illinois and having its place of business in Champaign, Illinois. One of the Foundation's functions is to hold and administer patents covering inventions developed at the University of Illinois. Blonder-Tongue, a New Jersey corporation with its principal place of business in Newark, New Jersey, is engaged in the manufacture and sale of equipment, including antennas, for the distribution and reception of television signals. The plaintiff alleges that Blonder-Tongue has infringed two patents held by the plaintiff by manufacturing and selling television antennas embodying the inventions of these patents.

Blonder-Tongue has denied the validity of the patents in suit and has asserted that, even if they were valid, they have not been infringed by Blonder-Tongue. Blonder-Tongue has also denied their enforceability. In addition, Blonder-Tongue has brought a counterclaim against the Foundation and JFD Electronics Corporation (hereinafter "JFD"), a New York corporation in the business of manu-

facturing and selling, among other products, antennas for use with home television receivers. The counterclaim charges that the Foundation and JFD have been guilty of unfair competition, antitrust violations, and infringement of one claim of a patent held by Blonder-Tongue.

This court has jurisdiction of the cause under 28 U. S. C. § 1338. Blonder-Tongue, which does not have "a regular and established place of business" in this District, was joined as a defendant with one of its Chicago distributors, Allied Radio Corporation, but waived its defense of improper venue and allowed Allied Radio Corporation to be dismissed.

Blonder-Tongue's Motion to Dismiss

Blonder-Tongue's motion to dismiss the complaint for failure to prove a prima facie case, which this court stated during trial it would decide after the close of all the evidence, is denied.

The Foundation's Patents

The plaintiff's patents in suit are Patent No. 3,210,767, entitled "Frequency Independent Unidirectional Antennas," which issued to the plaintiff on October 5, 1965, as the assignee of Dwight E. Isbell (hereinafter referred to as the Isbell patent), and Reissue Patent No. 25,740, entitled "Log Periodic Backward Wave Antenna Array," which issued to the plaintiff on March 9, 1965, as the assignee of Paul E. Mayes and Robert L. Carrel (hereinafter referred to as the Mayes et al. patent).

The Isbell patent has been previously litigated in the United States District Court for the Southern District of Iowa in *University of Illinois Foundation* v. *Winegard Company*, 271 F. Supp. 412 (S. D. Iowa 1967). The Isbell patent was there held invalid solely on the issue of obviousness. This court is, of course, free to decide the case at

bar on the basis of the evidence before it. *Triplett* v. *Lowell*, 297 U. S. 638, 642 (1936). Although a patent has been adjudged invalid in another patent infringement action against other defendants, patent owners cannot be deprived "of the right to show, if they can, that, as against defendants who have not previously been in court, the patent is valid and infringed." *Aghnides* v. *Holden*, 227 F. 2d 949, 951 (7th Cir. 1955). On the basis of the evidence before it, this court disagrees with the conclusion reached in the *Winegard* case and finds both the Isbell patent and the Mayes et al. patent valid and enforceable patents. It further finds that the two patents have been infringed by Blonder-Tongue.

Description of the Patents

The plaintiff's patents in suit relate to antennas having unidirectional radiation patterns essentially independent of frequency over a wide band of frequencies. The antennas covered by the patents are equally suitable for both the reception and the transmission of radiated electromagnetic energy (which includes radio and television frequency signals), but our primary concern is with their use for television reception. The characteristics desired in an antenna used for the reception of television signals are a function of the nature of frequency transmission. Although the frequency of a transmitted wave remains essentially constant as the wave moves through space, the strength of the signal decreases with increasing distance. An antenna is used to isolate the desired signal from interfering signals which exist at the point of reception and to make this signal available to the television receiver, via a transmission line, in as large a magnitude as possible.

The characteristics of an antenna which measure its performance are its gain, its bandwidth, its directivity, and

its impedance. "Gain" is the measure of its ability to increase the strength of an incoming signal relative to a fixed standard; high gain is a desired characteristic. "Bandwidth" is its capacity to receive, without adjustment, signals of different frequencies with essentially constant gain. An antenna whose reception is essentially independent of frequency over a wide band of frequencies is known as a "wide-band" or "frequency independent" antenna. 'Directivity" is an antenna's ability to receive signals from one desired direction as compared to all other directions. Television antennas are preferably unidirectional in order to eliminate interference with the desired signal and the "ghost" images such interference produces. "Impedance" is a measure of an antenna's ability to transfer energy to the transmission line. An antenna's impedance should match as closely as possible the impedance of the transmission line to prevent the formation of "ghosts." In the design of antennas, one desired characteristic is often obtained at the expense of another. The antenna designer's goal, of course, is to achieve the bet possible balance of the several different characteristics.

The simplest antenna which has been put to practical use for television reception is the dipole antenna, which consists of a pair of linear components extending from each side of a transmission line fed in the center at the inner ends of the linear components. Shortly after 1954, the log-periodic principle of antenna design was developed. The structures designed in accordance with this principle have cyclic performance characteristics which repeat periodically as frequency is increased. Although some log-periodic structures have broadband characteristics, most do not. While a log-periodic structure can readily be designed by one using the log-periodic design principle, it cannot be predicted whether such a structure will have broadband

characteristics and thus operate succesfully as a log-periodic antenna.

The invention covered by the Isbell patent was made by Dwight E. Isbell during the course of his work at the University of Illinois Antenna Laboratory under an Air Force contract. Isbell's invention is a log-periodic antenna which contains a number of dipole elements arranged in a substantially planar, parallel arrangement to form an antenna array. The lengths of the dipoles vary from one end of the antenna to the other in accordance with a scale factor, a constant less than one, which is used to establish the length of adjacent elements. The spacing between adjacent elements also varies, preferably in the same manner. The dipoles are fed from the end of the antenna having the shortest dipoles by a twin-line feeder which provides a phase reversal of 180 degrees between adjacent dipoles by alternately connecting succesive dipole halves. The Isbell antenna provides unidirectional radiation patterns of essentially constant beam width and input impedance for any desired band width.

The invention covered by the Mayes et al. patent was made by Paul E. Mayes and Robert L. Carrel during the course of their work at the University of Illinois under the same Air Force contract. Their antenna incorporates the structural characteristics of the Isbell antenna, with one modification: the dipoles in the array are inclined or V'd. The apex formed by the V's points in the same direction as the signal received by the antenna. The dipole element size increases in the same direction. While the Isbell antenna's dipoles provide a broadband unidirectional antenna with an upper frequency limit established by the length of the shortest dipole in the antenna, the Mayes et al. V-shaped elements permit the antenna to be operated over much higher bands of frequency and with increased directivity, thus increasing the effective frequency range of the

antenna and constituting an improvement over the Isbell invention.

Patentability is dependent upon three conditions explicitly set out in the federal statutes governing patents: novelty and utility, as defined in 35 U. S. C. § 101 and § 102, are non-obviousness, as set out in § 103. *Graham* v. *John Deere Co.*, 383 U. S. 1, 17 (1966). The defendant has charged that the Isbell patent is invalid because it is obvious, is anticipated by two earlier inventions, and was disclosed in a printed publication more than one year prior to the filing of the Isbell application. Blonder-Tongue also charges that the Mayes et al. patent is invalid because it is obvious, was not conceived by its purported inventors but by another, and was secured originally by a fraud upon the Patent Office.

A. The Isbell Patent.

The § 103 condition, non-obviousness, "lends itself to several basic factual inquiries." As the Supreme Court has stated, under § 103,

> the scope and content of the prior art are to be determined; differences between the prior art and the claims at issue are to be ascertained; and the level of ordinary skill in the pertinent art resolved. Against this background, the obviousness or nonobviousness of the subject matter is determined. Such secondary considerations as commercial success, long felt but unsolved needs, failure of others, etc., might be utilized to give light to the circumstances surrounding the origin of the subject matter sought to be patented. As indicia of obviousness or nonobviousness, these inquiries may have relevancy.

Graham v. *John Deere Co.*, 383 U. S. 1, 17-18 (1966).

The primary inquiry, therefore, is the scope and content of the prior art, the differences between that prior art

and the claims at issue, and the level of ordinary skill in the field. Blonder-Tongue asserts that Isbell's invention is obvious in view of the prior art, specifically (1) the K. O. antenna, the Channel Master antenna K. O. model 1023; (2) the Katzin patent, No. 2,192,532; and (3) an article by DuHamel and Ore, entitled "Logarithmically Periodic Antenna Designs," published on March 31, 1958. The court disagrees.

The K. O. antenna, sold commercially by Channel Master Corporation in or about 1955, was an antenna which employed folded dipoles. Such folded dipoles differ significantly from the straight or simple dipoles used by Isbell. Further, there was no pattern in the K. O. antenna's dipole spacing, which first increases, then decreases, then increases again from the back to the front of the antenna. The use of narrow band, simple dipoles in a log-periodic array to achieve a broadband effect was in no way suggested by the K. O. antenna.

The Katzin patent covers an array of dipole elements of differing size and different lengths, arranged in a side-by-side relationship in a plane, continuously tapering in length from one end of the antenna to the other, with smaller spacing between shorter elements than between longer ones. The patent does not exhibit log-periodic design and for this and other reasons does not suggest the Isbell antenna.

The DuHamel and Ore article, in its own language, "reports research on new types of broadband logarithmically periodic antenna structures." The characteristics of such structures were known in 1958 and the structures ment, proves that "no theory has been established which themselves are described. But the paper, by its own state-even predicts the types of structures which will give frequency independent operation. * * * Thus, it is felt that a theoretical investigation of this class of antennas would

be fruitful." It cannot be said that this article taught a method for designing log-periodic antennas which would predictably operate with frequency independence, and the Isbell patent was not obvious after its publication.

Much evidence in the record establishes that the design of successful log-periodic antennas was recognized by the art itself to be unpredictable. In brief, the design of such antennas at the time of the Isbell invention (and indeed even now) was a challenge to the inventor. Isbell's success was unpredicted and, the court finds non-obvious to other persons skilled in the art. In order to defeat a meritorious patent it is not enough "to pick out isolated features" in the prior art, "combine them in one particular way with hindsight acquired only from the patent under attack, and then say that no invention would have been involved in selecting those particular features and combining them in the particular way in which the patentee did." *Eversharp, Inc.* v. *Fisher Pen Co., Inc.*, 204 F. Supp. 649, 662-63 (N. D. Ill. 1961).

As for the "secondary considerations" of obviousness or nonobviousness, such as "commercial success, long felt but unsolved needs, failure of others, etc.," this court's conclusions is bolstered still more. Dr. DuHamel, among others, attempted to construct an antenna with the characteristics exhibited by Isbell's and failed. When apprised of it, DuHamel was surprised to learn that such a structure worked. There can scarcely be more convincing proof that Isbell's invention met a "long felt but unsolved need" in the antenna industry.

Apart from raising the question of obviousness, Blonder-Tongue challenges the validity of the Isbell patent on other grounds. First, it claims that the invention was not novel because it was anticipated by the K. O. antenna and the DuHamel et al. patent, No. 3,079,602. For the

reasons described above, in the court's discussion of the lack of obviousness, even in view of the K. O. antenna, the court concludes that Isbell's invention was similarly not anticipated by the K. O. antenna. The DuHamel et al. patent, filed March 14, 1958 and patented February 26, 1963, also does not anticipate the Isbell patent. It teaches a logarithmically periodic rod antenna, which is significantly different from a log-periodic antenna consisting of a dipole array, different enough so that DuHamel himself was astonished to learn of the success of the Isbell invention.

Blonder-Tongue also charges that the Isbell antenna was disclosed in a printed publication more than one year prior to the filing of Isbell's application. This question is the last remaining challenge to the Isbell patent. The plaintiff has conceded that the Quarterly Engineering Report No. 2, the publication at issue, "would have anticipated Isbell's invention if it had been published at a sufficiently early date," but argues that there is no competent evidence that the report was in fact published earlier than May 5, 1959. The question here is whether the invention was "described in a printed publication . . . more than one year prior to the date of the application for patent," which would negate patentability under 35 U. S. C. § 102. The application for the Isbell patent was filed on May 3, 1960. Hence it becomes crucial to know the date of "publication" of the quarterly report, which the plaintiff concedes describes the invention sufficiently to come within the meaning of the statute. The plaintiff acknowledges that the report was printed and was physically available prior to May 3, 1959, but denies that it was "published" earlier than May 5, 1959, on which date the report was mailed to those persons on the distribution list.

The evidence which tends to support the defendant's position on the question of publication is the testimony of

Miss Marjorie Johnson in the *Winegard* trial, of record in this case by stipulation. Miss Johnson, whose formal position with the University of Illinois in 1959 was Technical Editor of the Electrical Engineering Research Department, was responsible for distributing Electrical Engineering Laboratory publications, such as the quarterly reports. As part of her duties, Miss Johnson also kept copies of such publications in a "library" of sorts, where, because there were no supervisory personnel, materials were kept in locked cabinets and were generally obtained by request from a member of the publications staff having a key. Miss Johnson testified that the quarterly report involved here was in the publications office on April 30, 1959, and was therefore "available for distribution upon request on that date," although they were not actually distributed to persons on the distribution list until May 5, 1959. If Miss Johnson were truly a librarian and the document had been available in a genuine library, even a very small or a highly specialized library, this court would be compelled by the weight of authority to hold that such availability constituted "publication" within the meaning of § 102. See, *e.g.*, *Hamilton Laboratories, Inc.* v. *Massengill*, 111 F. 2d 584 (6th Cir. 1940). However, the court finds the nature of the availability of the document in this case was not sufficiently "public" in nature to constitute the kind of publication intended by the act, at least until the report was distributed on May 5, 1959. In my view, the document had merely arrived from the printer and had come into the possession of the publications office on April 30, 1959, and although there existed the rather remote possibility that a person knowing of the report might have asked for it and obtained a copy of it on that date, this kind of availability did not represent "publication."

B. The Mayes et al. Patent.

The defendant claims that the Mayes et al. patent is obvious in view of Isbell's prior work and the Carter patent No. 1,974,387. The Mayes et al. patent represents an improvement over the Isbell patent in that its dipoles are inclined or V'd, permitting the antenna to be operated over much higher bands of frequency and with increased directivity, increasing the effective frequency range. The dipole elements are bent forward at an angle between 50 and 150 degrees, rather than being attached perpendicularly, as in the Isbell patent. The Carter patent teaches an antenna "comprising a pair of angularly disposed linear conductors," but it can hardly be said to teach the considerably more sophisticated Mayes et al. invention. It must be noted here, as observed heretofore with respect to the Isbell invention, that predictions in the field of electronics and particularly in the field of antenna design are undependable. There was no obvious basis for one skilled in the art to take the isolated features shown in the two earlier patents and to combine them as Mayes and Carrell did. Their invention was, the court concludes not obvious.

The two final challenges to the Mayes et al. patent are (1) that it was not conceived by Mayes and Carrel but by another, and (2) that it was secured by a fraud upon the Patent Office. The first contention is based upon Dr. Maye's "admission" on cross-examination that the V-construction which constitutes the only structural difference between his patent and the Isbell patent "was suggested to him by Mr. Turner of Wright Air Development Center." But, a mere suggestion by another is not enough to constitute anticipation sufficient to negate novelty. "The mere mental conception of the desirability of doing something and of the means of doing it will not amount to anticipation. An

invention is not anticipated by mere surmises or theories or by inferences as distinguished from disclosures." 1 Deller's *Walker on Patents* (2d ed.) § 68. Turner's suggestion in this instance was not an "invention" and did not anticipate the Mayes and Carrel invention. The second contention is, in brief, that the plaintiff's procuring of the Mayes and Carrel patent was "effected by an entirely misleading affidavit, either prepared willfully or through gross and wanton neglect, perpetrating a fraud on the Patent Office." The defendant makes the further argument that none of the conditions required by law for the granting of a reissue patent obtained in this case. The evidence supports neither of these charges. First, the evidence does not show that Mayes et al. misrepresented any fact to the Patent Office during the prosecution of the patent. Second, Mayes et al. were under no obligation to disclose their knowledge of references, other than those which disclose the identical invention. *Wen Products, Inc.* v. *Portable Electric Tools, Inc.*, 367 F. 2d 764, 767 (7th Cir. 1966).

In conclusion, the court finds both the Isbell and the Mayes et al. patents valid and enforceable patents.

Infringement of the Patents.

The log-periodic antennas sold by the defendant which are asserted to infringe the plaintiff's patents are antennas of two series. The first are in the Golden series, consisting of the Golden Dart and Golden Arrow television antennas, the former the outdoor, the latter the indoor models. These are UHF antennas, designed to receive television signals transmitted by channels 14 through 83, and are charged with infringing all of the claims of the Isbell patent. It was stipulated by the parties that if the representative antenna, Plaintiff's Exhibit No. 10, was found to infringe, the other member of the series also infringed. The second series is the Color Ranger series,

consisting of the Color Ranger-3, Color Ranger-5, Color Ranger-7, Color Ranger-10, and Color Ranger-15. These are VHF antennas, designed to receive signals transmitted by stations 2 through 13, and are asserted to infringe claims 1 through 5 of the Isbell patent and all of the claims of the Mayes et al. patent. The representative antenna is Plaintiff's Exhibit No. 35. It was stipulated by the parties that if it was found to infringe, all other members of the series also infringed.

The court finds that the Isbell patent is basic to both series of Blonder-Tongue's antennas. All of its claims are infringed by the Golden series, while claims 1 through 5 are infringed by the Color Ranger series. The Color Ranger also infringes all of the claims of the Mayes et al. patent. The court finds that the length of the dipoles and the spacings between adjacent dipoles in the accused Blonder-Tongue antennas follow the log-periodic arrangement disclosed and claimed in the patents in suit. Each of the antennas contains three or more parallel dipoles which vary progressively in length and spacing in accordance with a substantially constant scale factor. The scale factor for length is literally constant in the Golden series, and the average variation from a constant scale factor for spacing is plus or minus 6%. In the Color Ranger series, the scale factor is literally constant for both length and spacing. The separation in the planar arrangement is one-eighteenth wavelength or less for both series. Although the broader the bandwidth desired, the closer an antenna must conform to the preferred construction of the Isbell antenna, where broadband requirements are not excessively great (and this is true for many practical applications), satisfactory operation can be obtained with an Isbell antenna whose dipole elements are not arranged in a strictly planar arrangement but are separated by a small fraction of a wavelength. The Blonder-Tongue antennas'

dipole elements are separated by not more than one-eighteenth wavelength, making them substantially coplanar. In addition, each of the dipoles is connected by a two-conductor feeder, the conductors of which have the effect of alternately connecting the opposite dipole element of successive dipoles.

Blonder-Tongue's Counterclaim

The counterclaim filed by Blonder-Tongue against the Foundation and JFD contains three counts. The first two counts charge unfair competition and violations of the antitrust laws; the third charges infringement of Blonder-Tongue's own patent, No. 3,259,904, issued July 5, 1966, to Isaac S. Blonder and Abraham Scheufeld.

Unfair Competition and Antitrust Violations

Blonder-Tongue's first claim of unfair competition and antitrust violations by the counterclaim defendants is its charge against the advertising campaign utilized by JFD, as licensee under the Foundation's patents, to sell the antennas it produced pursuant to the licensing agreement. Blonder-Tongue describes some of the language employed in JFD advertisements as unfair, but the Court finds that it was within the range of acceptable sales efforts and was not so offensive as to be characterized as "unfair." For example, JFD's use of the phrase, "developed by the antenna research laboratories of the University of Illinois," in connection with its product does not violate this court's notions of what is fair competition in a highly competitive world. The fair import of this phrase is that the JFD antennas were initially developed by persons at the University, and the factual basis for such a statement is not disputed. The advertisements invariably added that the antennas were adapted for home television used by JFD; this

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statement is also correct. The advertising effort represented by these statements and others like them cannot be deemed "unfair." See *Drop Dead Co., Inc.* v. *S. C. Johnson & Son, Inc.*, 326 F. 2d 87, 96 (9th Cir. 1963), *cert. denied*, 377 U. S. 907 (1964).

Likewise, the alleged "mismarking" of antennas and advertisements with representations of patent coverage for the JFD antennas which Blonder-Tongue asserts was misleading was not shown by the evidence to be either deliberate or of damaging effect. Its effect, if any, was minimal. There was no convincing evidence to support the conclusion that potential purchasers were influenced by such markings to buy or not to buy either JFD's or its competitors' antennas, or that such markings were deliberately intended to gain an unfair advantage over JFD's competition. *S. W. Farber, Inc.* v. *Texas Instruments, Inc.*, 230 F. Supp. 883, 892 (D. Del. 1964), *aff'd*, 344 F. 2d 957 (3d Cir. 1965), *cert. denied*, 382 U. S. 843 (1965).

Nor was the use of the phrase "the patented log-periodic cellular formula" unfair. JFD maintains that it referred to the antenna itself, a log-periodic antenna using the patented cellular concept. This is a reasonable construction of the phrase; the reader was not necessarily led to believe that JFD had patented the whole concept of log-periodicity. The court's conclusion is that JFD's advertising was not improper. The defendant is entitled neither to an injunction to halt allegedly unfair advertising practices nor to damages resulting from a loss of business allegedly attributable to such practices, since the evidence supports neither claim.

Blonder-Tongue further contends that the counter-claim defendants, particularly the Foundation, undertook an unfair campaign to police its patents by numerous lawsuits and threats of litigation. It is conceded by Blonder-

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Tongue, as it must be, that there is nothing improper in bringing lawsuits against those believed in good faith to be infringers. But Blonder-Tongue's complaint is that suits were brought "to coerce the trade into dealing with JFD exclusively," that news releases concerning this litigation were "deliberately widely circulated in the trade," and that such practices "far transcend the proper use of patents and patent litigation." A review of the evidence demonstrates clearly that such allegations are wholly without basis in fact. The patentee, in the belief that its patents were valid and infringed (as they have indeed been shown to be), had the right to protect its claims by notifying the trade of alleged infringements. Its activities here were not unreasonable. *Al-Fab Aluminum Fabricators, Inc.* v. *Wagner*, 220 F. Supp. 715 (N. D. Ill. 1963). The argument that it was improper to sue Blonder-Tongue in this District is irrelevant to the claim of unfair practices made here. Blonder-Tongue might have brought timely objection to the venue but chose not to do so, and this court has not, in any case, been shown how the choice of venue has worked to Blonder-Tongue's competitive disadvantage. Even if suit had been brought in Blonder-Tongue's home state of New Jersey, news releases describing the litigation might have been distributed anywhere, including this District. From the standpoint of competition, therefore, it is immaterial that Blonder-Tongue was sued here rather than in any other District.

The claim that the Mayes et al. patent was procured improperly from the Patent Office has been discussed *supra* as part of the court's discussion of the patent's validity. There was no evidence that its procurement constituted unfair competition, as charged by Blonder-Tongue.

Blonder-Tongue makes the further claim that JFD "raided" key personnel from Blonder-Tongue, and that

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this constituted an unfair competitive practice. The record shows that several persons formerly in Blonder-Tongue's employ were subsequently hired by JFD and that, after the departure of one of these, some records dealing with customers were found to be missing. If the court were free to speculate on the significance of this evidence, it might be tempted to conclude, with Blonder-Tongue, that that company had been (in popular parlance) "raided" by JFD. But more than mere speculation is required to justify such a conclusion. There must be proof, and such proof is lacking here. Those employees later hired by JFD made up a small fraction of the total number of employees who left Blonder-Tongue during the same period of time, and a number of reasons, such as dissatisfaction with Blonder-Tongue, genuinely arrived at, appear from the evidence to have been instrumental in causing the employees to change their positions. The record contains no evidence that JFD "raided" Blonder-Tongue. *Dempster Bros., Inc.* v. *Perfection Steel Body Co.*, 182 F. Supp. 307, 309 (N. D. Ohio 1959).

Blonder-Tongue has also argued that JFD attempted to force its customer to purchase its unpatented products as a "tie-in" with its patented products. Proof of such a practice would constitute, of course, an antitrust violation as well as an unfair competitive practice. *Carbice Corp. of America* v. *American Patents Development Corp.*, 283 U. S. 27 (1931). The only evidence, however, which tends to support this argument is the testimony of a JFD official who admitted that JFD salesmen would try to persuade their customers to handle not only JFD antennas but its other products as well. This is a normal business practice: all salesmen try to sell their entire line of merchandise rather than merely their most popular products. There was no probative evidence here of any coercion or threats made to

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customers to force their purchase of the entire JFD line. Only proof of such a compulsory tie-in would permit the court to find either an unfair competitive practice or a violation of the antitrust laws, and such proof is absent in the record.

The court concludes that JFD was not guilty of any wrongful practices with regard to the marketing and sales of their antennas. The role of the Foundation in the activities characterized by Blonder-Tongue as unfair and in violation of the antitrust laws is, on this view of the evidence, immaterial. Whether the Foundation was a "mere licensor" or something more than that is of no importance since the accused practices are not found to be beyond the reasonable bounds of competition.

Infringement of Blonder-Tongue's Patent

The third count of Blonder-Tongue's counterclaim charges that Claim 5 of the patent held by Blonder-Tongue, the Blonder et al. patent No. 3,259,904, has been infringed by the counterclaim defendants. The antenna of Claim 5 comprises a pair of parallel conductors (twin booms) spaced apart vertically in a vertical plane. Dipole elements lying in vertically-spaced horizontal planes extend from the conductors at successive points along the lengths of the conductors, with dipole lengths increasing gradually from one end of the conductors to the other, the shortest dipoles at the front end of the conductors, where terminals connect a parallel wire transmission line to the antenna. Rigid insulating means, maintaining the terminals spaced apart, are connected with a strain relief or standoff for supporting the transmission line near the front end. Further rigid insulating means maintain the conductors' spacing at a region remote from the front end. The vertical distance between conductors is less than the distance be-

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tween successive dipole elements and less than the wavelengths of the frequency band of the antenna's operation.

The court finds that Claim 5 of the Blonder-Tongue patent was obvious at the time it was made and is therefore invalid. The alleged improvement was taught by the following references in the prior art:

1. Technical Report No. 52, published October 1, 1961, entitled "Analysis and Design of the Log-Periodic Antenna," by Robert L. Carrel;

2. the Mayes and Heslin antennas;

3. the prior art patents cited by the Patent Examiner during prosecution of the application for the Blonder-Tongue patent and the Kane, Wickersham et al., Valach, Gross, Winegard, and Callaghan patents.

Claims for Attorneys' Fees

The plaintiff and the counterclaim defendant have each moved for an award of attorneys' fees in their favor, based upon their claims that the counterclaim was interposed and prosecuted against them in bad faith. The Foundation's claim is based upon 35 U. S. C. § 285, which reads:

> The court in exceptional cases may award reasonable attorney fees to the prevailing party.

JFD's claim is based upon "principles of equity and good practice."

Both claims will be denied. The statutory provision, as well as equity, permits such an award only where extraordinary circumstances exist and it is clear to the court that a gross injustice will be done unless such an award is made. *Siebring* v. *Hansen*, 346 F. 2d 474 (8th Cir. 1965), *cert. denied*, 382 U. S. 943. I do not find that Blonder-Tongue's counterclaim was so vexatious and so unjustified as to make it an "exceptional case" within the

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ambit to the statute or within the dictates of equity. *Hyster Co.* v. *Hunt Foods, Inc.*, 263 F. 2d 130, 134 (7th Cir. 1959). Although the court has not held that the counterclaim was legally proved in any respect, Blonder-Tongue was not clearly acting in bad faith in bringing it before this court.

This memorandum of decision will stand as the Court's findings of fact and conclusions of law within the meaning of Rule 52 of the Federal Rules of Civil Procedure.

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IN THE UNITED STATES DISTRICT COURT

• • (Caption—66-C-567) • •

JUDGMENT ORDER

This cause having come on to be heard on plaintiff's Amended Complaint, on defendant's Amended Answer and Counterclaim, and on plaintiff's and counterclaim defendant's Reply to Amended Counterclaim and the Court having heard the testimony of the Witnesses for the respective parties in open court and having examined the depositions made of record, the exhibits received in evidence and the briefs of the respective parties, and the Court having this day filed its Memorandum of Decision which said Memorandum of Decision stands as the Court's Findings of Fact and Conclusions of Law within the meaning of Rule 52 of the Federal Rules of Civil Procedure,

It Is Hereby Ordered, Adjudged and Decreed as follows:

1. The Court has jurisdiction of the parties and of the subject matter of this action.

2. The plaintiff, University of Illinois Foundation, is the owner of United States Letters Patent No. 3,210,767, and Reissue Patent No. 25,740, and all rights thereunder, including the rights of recovery for past infringements.

3. United States Letters Patent No. 3,210,767 and Reissue Patent No. 25,740 are valid and subsisting at law and enforceable.

4. The defendant, Blonder-Tongue Laboratories, Inc., has infringed said Patents by making or causing to be made or sold antennas covered by the Claims of said Patents.

5. Judgment on the Amended Complaint is entered for the plaintiff with prejudice.

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6. The defendant is the owner of United States Letters Patent No. 3,259,904 and all rights thereunder.

7. Claim 5 of United States Letters Patent No. 3,259,904 is invalid and void in law.

8. The plaintiff and the counterclaim defendant, JFD Electronics Corporation, did not commit acts of unfair competition or acts in violation of the antitrust laws as charged in the Counterclaim.

9. Judgment on the Counterclaim filed by the defendant is entered for the plaintiff and the counterclaim defendant with prejudice.

10. A perpetual injunction shall issue out of and under the seal of this Court directed to the defendant, Blonder-Tongue Laboratories, Inc., their respective officers, agents, servants, attorneys, employees, associates and privies and those persons in active concert and participation with them or any of them, enjoining and restricting them and each of them from directly or indirectly infringing United States Letters Patent No. 3,210,767 and Reissue Patent No. 25,740 and from offering or advertising so to do, and from aiding or abetting or in any way contributing to the infringement of any of said Claims.

11. After this decree shall have become final, the Court shall refer the matter to a Master, to be appointed by the Court, to make and render an accounting as to the extent of the manufacture and sale of infringing antennas by the defendant, and as to the amount of damages suffered by the plaintiff by reason of the defendant's infringement of United States Letters Patent No. 3,210,767 and Reissue Patent No. 25,740; and that the plaintiff recover from the defendant the amount of these damages.

12. The said defendant and its officers, directors, attorneys, servants, agents, workmen and employees are hereby directed and required to attend before such Master,

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from time to time as required and to produce such relevant apparatus, objects, books, documents and papers as requested and to submit to examination, oral or otherwise.

13. The plaintiff shall not recover its expenses, costs or attorneys' fees.

14. The defendant shall not recover its expenses, costs or attorneys' fees.

15. The counterclaim defendant shall not recover its expenses, costs or attorneys' fees.

ENTER:

JULIUS J. HOFFMAN,
United States District Judge.

Dated: June 27, 1968.

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MICHAEL RODAK, JR., CLERK

IN THE

Supreme Court of the United States

OCTOBER TERM, 1972.

No. 72-626

UNIVERSITY OF ILLINOIS FOUNDATION,
Petitioner.

vs.

BLONDER-TONGUE LABORATORIES, INC.,
Respondent.

RESPONDENT'S BRIEF IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI.

ROBERT H. RIXES,
No. 10, Post Office Square,
Boston, Massachusetts 61029,

RICHARD S. PHILLIPS,
20 North Wacker Drive,
Chicago, Illinois 60606,
Attorneys for Respondent.

THE GUNTHORP-WARREN PRINTING COMPANY, CHICAGO

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TABLE OF CASES AND OTHER AUTHORITIES CITED.

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IN THE

Supreme Court of the United States

OCTOBER TERM, 1972.

No. 72-626.

UNIVERSITY OF ILLINOIS FOUNDATION,
Petitioner,

vs.

BLONDER-TONGUE LABORATORIES, INC.,
Respondent.

RESPONDENT'S BRIEF IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI.

Respondent opposes the petition for a writ of certiorari to the United States Court of Appeals for the Seventh Circuit in this cause.

RESTATEMENT OF QUESTIONS PRESENTED.

Petitioner's three questions, in substance, actually inquire as follows:

Did the Supreme Court really mean to subject petitioner to the unanimously enunciated doctrine and remand in the Blonder-Tongue decision (402 U. S. 313)?

Or, was petitioner to be an implied exception to the doctrine such that:

(Questions 1 & 2)

> the lower courts on remand were to review and pass on the standards of patentability applied in the earlier Eighth Circuit decisions*: and

(Question 3)

> petitioner personally was to be excluded from the application of the estoppel for economic reasons?

Otherwise stated, the petitioner's questions really seem to ask if this Supreme Court will overrule itself.

REASONS FOR DENYING THE WRIT.

In its prior decision this Supreme Court, with full knowledge of the circumstances of the case, unanimously remanded with the direction:

> "Petitioner should be allowed to amend its pleadings in the District Court to assert a plea of estoppel. Respondent must then be permitted to amend its pleadings, and to supplement the record with any evidence showing why an estoppel should not be imposed in this case. If necessary, petitioner may also supplement the record." 402 U. S. 350

The District Court meticulously reviewed and followed that opinion to the letter (A3-8 of Petition) to wit:

a) "The Court accordingly reversed and remanded the case to allow defendant to interpose a plea of estoppel based on the Eighth Circuit's decision in *Winegard*. Upon remand, defendant has accepted the invitation by moving to amend its answer to set up this newly authorized defense. Allowance

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* *University of Illinois Foundation* v. *Winegard*, 271 F. Supp. 412 (S. D. Iowa 1967); affd. 402 F. 2d 125 (CA 8, 1968).

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of the amendment is dictated by the Supreme Court mandate, and plaintiff has not indicated any opposition. The motion is accordingly granted." (A5)

b) "Both parties have disavowed interest in offering evidence on the issue, and no factual issues are presented by the opposing motions. Thus the matter may be appropriately treated as a motion for summary judgment on the defense." (A5)

c) "When a new defendant is sued, the plaintiff will be entitled to relitigate the validity of his patent if he can demonstrate that the prior action did not afford him 'a full and fair chance' to litigate the issue. 402 U. S. 333, 91 S. Ct. 1434. Among the components of this standard are the convenience of the previous forum, plaintiff's incentive to litigate in the prior action, the identity of the issues raised and decided, and the plaintiff's opportunity to present all crucial evidence and witnesses. 402 U. S. 333, 91 S. Ct. 1434. Plaintiff in this Court has made no showing of any shortcomings in the *Winegard* proceedings in any of these respects. Procedurally, at least, plaintiff had a fair opportunity to pursue his claim the first time." (A6)

d) "Plaintiff asserts that the courts of the Eighth Circuit 'wholly failed to grasp the technical subject matter' since they disagreed with the courts of this Circuit. It would demand arrogance so to conclude . . . While the technical subject matter involved in the litigation is complex, *the Eighth Circuit opinion reveals a conscientious effort to apply the standards laid down in Graham* v. *John Deere Co., supra, and a careful evaluation of the issues.* That court concluded that the patent was obvious and invalid as a mere combination of known elements. This Court had reached a different conclusion on the same issue, and this Court's opinion was before the Eighth Circuit. *A mere difference in the conclusions reached in the application of a general standard such as obviousness* under Section 103 of Title 35, United States Code,

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does not demonstrate that either court 'wholly failed to grasp the technical subject matter.' As anticipated by the Supreme Court, instances warranting such a conclusion will be rare. 402 U. S. 333, 91 S. Ct. 1434." (A7) (Emphasis added)

e) "Under the factors mentioned by the Supreme Court, plaintiff has failed to make the requisite showing to escape the defense of estoppel and to entitle it to the benefit of relitigation. Beyond those factors, however, plaintiff urges that allowance of the defense would be unjust and inequitable because it has already incurred the costs and burdens of the second litigation, because this action was filed—but not decided—before the *Winegard* suit, because the Supreme Court denied certiorari to review the Eighth Circuit's decision, and because defendant did not plead the defense of estoppel, or urge its availability, in the courts of this Circuit. *All these circumstances were before the Supreme Court, and with this record before it that Court directed that defendant be given an opportunity in this Court to raise the defense.* This Court cannot evade the mandate by holding that such factors defeat the plea." (A 7, 8) (Emphasis added)

This careful consideration by the District Court of the inquiries ordered by the Supreme Court in its Blonder-Tongue decision was affirmed in toto by the Court of Appeals. Neither Court here abdicated its duty to consider whether the Eighth Circuit Courts, in their validity determination, purported to employ the standards of *Graham* v. *John Deere Co.*, 383 U. S. 1 (1966).

CONCLUSION.

There is no basis in terms of new evidence or public policy dictates, for the Supreme Court now belatedly reversing its unanimous Blonder-Tongue decision, or chang-

ing its mind as to the application of the same to petitioner —the latter proposition, raised by petitioner's questions, indeed being *res judicata*.

The petition is based on no consideration which warrants the grant of a writ of certiorari and should be denied. (Rule 19, Rules of the United States Supreme Court)

Respectfully submitted,

ROBERT H. RINES,
No. 10, Post Office Square,
Boston, Massachusetts 61029,

RICHARD S. PHILLIPS,
20 North Wacker Drive,
Chicago, Illinois 60606,
Attorneys for Respondent.